



*The World's Largest Open Access Agricultural & Applied Economics Digital Library*

**This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.**

**Help ensure our sustainability.**

Give to AgEcon Search

AgEcon Search

<http://ageconsearch.umn.edu>

[aesearch@umn.edu](mailto:aesearch@umn.edu)

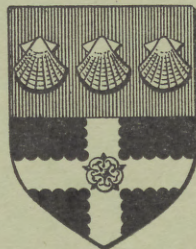
*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

*No endorsement of AgEcon Search or its fundraising activities by the author(s) of the following work or their employer(s) is intended or implied.*

*Tenancy*

GIANNINI FOUNDATION OF  
AGRICULTURAL ECONOMICS  
LIBRARY

WITHDRAWN  
AUG 14 1966



UNIVERSITY OF READING

DEPARTMENT OF AGRICULTURAL ECONOMICS

**An enquiry into the economic and social situation  
of tenants of statutory horticultural smallholdings provided  
by Middlesex County Council**

By

L. G. Bennett

Miscellaneous Studies No. 41

7/6

April, 1966

## Contents

	Page
I. The statutory smallholdings of Middlesex County Council	1
II. The tenants co-operating in the study	5
(i) Occupational status	5
(ii) The size and suitability of the holdings	6
III. Financial results per holding	7
IV. Success measured by capital accumulation	12
V. Financial results per acre	15
VI. Social aspects	17
(i) Age on entry and length of tenure	17
(ii) Previous occupation and educational background	18
(iii) Marital status and the family	19
(iv) Technical interests and hobbies	20
(v) Tenant's satisfactions	21
(vi) Retirement	21
(vii) Managerial competence	22
VII. General observations	23
(1) Quality of the land	23
(2) Quality of the tenant	24
(3) Landlord's opinion of tenant's success	25
(4) Misuse of holdings	25
(5) General impressions	26
Appendices	
(a) Cropping patterns	
(b) Financial results per acre	

Corrigendum

- p. 14 Total extra capital should read £13,400.
- p. 15 First column of figures - for "£552" read "£522".
- p. 16 Last column of figures - for "£477" read "£527".

## INTRODUCTION

The Department of Agricultural Economics of the University of Reading has had a long and continuing interest in statutory smallholdings. The first attempt by the Department to throw some light on the economic position of the occupiers of such holdings made in 1935 covered the counties of Dorset and Hampshire.\* A further study of horticultural smallholdings in Hampshire was made in 1957, contrasting the different results achieved by occupiers of holdings administered by the County Council and those provided by the Land Settlement Association.\*\*

With this background the Department viewed with interest the appointment in 1963 of the Committee of Inquiry into Statutory Smallholdings under the Chairmanship of Professor Michael Wise and most willingly acceded to the request of the Committee to make a social and economic study of the horticultural smallholdings administered by what was then the Middlesex County Council and has now become the Greater London Council. The report which follows was submitted to the Wise Committee as evidence and is now published following the issue of the First Report of the Committee.\*\*\*

The Department is greatly indebted to Mr. K.R.Crum, the County Lands Officer, for his help throughout the enquiry and to the tenants who made their accounts available for inspection and who answered the numerous questions put to them.

Department of Agricultural Economics,  
University of Reading,  
April, 1966.

---

\* County Council Small-Holdings in Dorset & Hampshire. Edgar Thomas. Journal of the Ministry of Agriculture, April, May, June, July 1937.

\*\* Small Scale Horticulture in Hampshire. L.G. Bennett. University of Reading, Department of Agricultural Economics, Misc. Studies No.15, 1959.

\*\*\* Departmental Committee of Inquiry into Statutory Smallholdings. H.M.S.O. Cmd.2936. 1966.

# I. The statutory smallholdings of Middlesex County Council

Under its statutory obligation as a Smallholdings Authority Middlesex County Council provides a total of just over a hundred smallholdings with a total area of just over 1,300 acres. One-third of the total number are regarded as being in horticultural use though, on many, horticulture is combined with pig keeping. Just over 1,000 acres of the smallholdings estate are outside the county boundary, 888 acres in Buckinghamshire and 142 acres in Hertfordshire. This fact reflects not only the high cost of land in Middlesex but also the virtual impossibility of obtaining relatively large blocks of suitable land within the county. The geographical distribution of the holdings is as follows:-

<u>Estate</u>	<u>Total acreage</u>	<u>Number of tenants</u>	<u>Number of horticultural tenants</u>
Ashford	42	13	6
Bedfont Court	66	17	5
Burrows Hill Close	15	7	1
Denham	888	57	18
Denham Court	2 $\frac{3}{4}$	1	1
Feltham	29 $\frac{1}{2}$	5	2
Hillingdon	45 $\frac{1}{2}$	2	1
Napsbury	142	2	-
West Drayton	3 $\frac{1}{2}$	1	1
Yoeveny	79	1	-
	<u>1313<math>\frac{1}{4}</math>*</u>	<u>106*</u>	<u>35</u>

\* Excluding four 'holdings' at Heston let to adjoining growers.

The 35 holdings in horticultural use had a total area of 171 $\frac{1}{2}$  acres and formed the basis of this study. It was decided that with this relatively small number any form of sampling was ruled out and that it would be desirable to attempt to interview all the tenants concerned.

The result of attempting to get in touch with each tenant was that five either refused outright to give any information or alleged that they grew no horticultural crops and could therefore be of no assistance; it was impossible to see a further five tenants (one of whom had in fact left the holding on retirement and another appeared no longer to be the de facto tenant); four tenants professed willingness to help but had no accounts to offer. Twenty-one co-operated fully in the enquiry. Thus only about two-thirds of the tenants provided any help. On the assumption that all 35 tenants were in fact growing horticultural crops then the distribution of all holdings and co-operating holdings by size is as follows:-



Acreage rented from Middlesex County Council*	Number of horticultural holdings	Number of co-operators
Under 2 acres	11	6
2 - 5 acres	11	9
5 - 10 acres	5	2
over 10 acres	8	4
	<u>35</u>	<u>21</u>

The results of interviewing the 21 tenants who co-operated fully in this study are given at a later stage. Meanwhile it may be of some interest to take a look at the landlord's investment so that in considering the financial results achieved by the tenants some comment may also be offered on the return the landlord obtains.

The present smallholdings estate has been developed over a long period. Land at Feltham was bought in 1914 and added to in 1951, Denham was bought in 1919 while Burrows Hill Close was added in 1933, Bedfont Court in 1935 and most of the present land at Ashford in 1936. More recently, land was acquired at Napsbury in Hertfordshire in 1963 and in the same year there were two additions made to Ashford. On the other hand, most of the land at Yoeveny was lost to the Metropolitan Water Board in 1963 and 54 acres of poor agricultural land on that estate were sold at the same time for gravel working.

A major problem in assessing the return on landlord's capital arises from the difficulty of placing realistic values on the land provided. Initial cost may at first sight appear to be the most realistic measure of value, the figure is at least known with some certainty. Yet to relate rents currently received to initial cost twenty to twenty-five years ago would be misleading. It would be equally misleading to relate current rents to current development values since the smallholdings authority could not, except in a limited way, realise the increased value of the land they hold.

Some idea of the size and complexity of the problem may be obtained from a few examples of the prices at which land has changed hands since the older of the estates with which this report is concerned were purchased.

The land at Denham was bought at £48 per acre, Burrows Hill Close at £42, Bedfont Court at £45 and Ashford at £36.\*\* The Napsbury purchase in 1963 was negotiated at a rate of £70 an acre but the vendor retained the gravel rights and this land has at present no more than "hope value" for development, and that somewhat remote. A similar and adjoining block of land which the M.C.C.

---

\* As the Smallholdings Authority. One tenant rented further land from the M.C.C. Estates Department.

\*\* The cost of the original purchase at Feltham in 1914 could not be traced.

did not take over was valued in 1964 at £152 an acre, again excluding gravel rights. In 1963 the Council bought the 999 year lease of 10.7 acres of filled land at Ashford for £500 an acre for extending the Ashford estate. The freehold of a further 3.6 acres alongside was bought at the same price. All this land had been worked-out by gravel excavators and its non-agricultural value was thus reduced.

Two examples of recent sales by the M.C.C. may be cited. In 1954 one-third of an acre at Denham was sold for use as a wayside petrol filling station for £32,000 while the 54 acres previously mentioned as having been sold for gravel working fetched £2,000 an acre.

It may be of some interest to give approximate indices on two bases of the relative value for the land on estates with horticultural holdings. The first is on the basis of general value (hope of development included) and the second on the lower absolute level of horticultural usefulness. The best land in each case has been rated at 100.

<u>Estate</u>	<u>Index of general value</u>	<u>Index of horticultural value</u>
Feltham	100	100
Hillingdon	100	80
Ashford	80	60
Denham	75	100
Burrows Hill Close )	30	40
Bedfont Court )		

These are rough and ready indices and too much reliance should not be placed upon them, the time factor, for instance, markedly affects general value. Nevertheless, even if the figures are only approximate the wisdom of continuing with horticultural smallholdings at Ashford and particularly at Bedfont Court is open to question. The land at Bedfont Court has many disadvantages and reference will later be made to this matter.

The dwelling houses on the estates established at an early stage cost £400 or £500 each according to size.\* The present insurance value is said to be £2,750, admittedly low, while the replacement value on architect's estimation has been put at £3,000 to £3,750 with one house at £4,500. The current sale price with vacant possession would certainly be in excess of the replacement values.

In addition to land and house the Council provides some tenants with certain items of equipment such as glasshouses, frames, irrigation equipment and pig houses. The original cost of such equipment is not written down as

---

\* Twenty of the 21 holdings were complete with dwelling houses, the tenant of the other holding lived in a house which he owned.



time goes on but gives rise to an addition to the rent of the order of  $6\frac{1}{2}\%$  of cost for buildings and 7% for other equipment. Out of this sum the Council replaces the items concerned when they wear out.

In these complex circumstances it is clear that one figure to represent the landlord's investment in the holdings would be unrealistic. Three 'values' have therefore been calculated as follows:-

1. The original cost of the land with due allowance for laying out the holdings, the original cost of the house and any equipment provided.
2. The land at £200 an acre, the insurance value of the house and the initial cost of equipment.
3. The land at £500 an acre, the replacement value for the house and the initial cost of equipment.

The first figure represents the sum which was actually sunk in the holdings concerned, the second the current agricultural value and the third the 'remote hope' value, so to speak, of the holdings. To go further than this would be to speculate unduly. Nevertheless it is tempting to think that if the whole of the 42 acres at Ashford could be developed for urban building the price it would realise would be not less than £100,000 and might reach twice that figure. On the other hand, Denham, being in the Green Belt, has a value limited largely to its current agricultural value or at the most to its 'remote hope' value, though even here where small-scale development has been allowed the very difficulty of getting development permission has enhanced the value of what small pieces could be sold for non-agricultural purposes.

The total value of 20 holdings (one being leased) calculated in the ways described above is as follows:-

- |                       |          |    |                               |
|-----------------------|----------|----|-------------------------------|
| 1. Initial cost       | £36,826  | or | £1,840 per holding on average |
| 2. Agricultural value | £93,425  | or | £4,670 per holding on average |
| 3. Remote hope value  | £133,097 | or | £6,655 per holding on average |

The total rent received in respect of the 20 holdings amounts to £2,794 a year so that the gross return on capital out of which all administrative costs have to be met is

7.6%	on initial cost
3.0%	on agricultural value
2.1%	on 'remote hope' value

To give a figure for the estates concerned representing the percentage return on the potential development value would not only be speculative but

misleading. Land at Hillingdon, Feltham, West Drayton and Ashford is 'ripe' and especially in the first three areas. Land at Bedfont Court and Burrows Hill Close is in the direct path of runways of London Airport, has little value for housing and probably would not be developed for reasons of safety. Land at Denham is protected from development and anything other than the roads now projected across the estate is probably out of the question in the foreseeable future. Nevertheless it is interesting to note that the return on the Ashford land in rent is no more, and possibly less, than 1% of the development value.

## II. The tenants co-operating in the study.

It might be wise to state at this stage that though certain features of the situation of each tenant or of the tenants collectively are treated statistically in the following pages, nevertheless the general impressions recorded at a later stage are perhaps of more importance. It would also be wise to point to the peculiarities of a semi-urban situation and to state that it would be wrong to draw conclusions as to the profitability of these holdings and expect them to fit the situation in other more rural areas. If these reservations are borne in mind the figures which follow will fall into a better perspective.

### (i) Occupational status.

All the horticultural holdings were regarded as up to the so called 'Part IV standard', though this has never been more precisely defined than in the 1947 Act which says that the smallholding must be of an "extent likely to be required for the provision of a reasonable livelihood".\* All except one of the tenants took their holdings with the intention of making them their full-time occupation, the exception was in respect of a holding let in the 1930's to a tenant in full-time industrial work.

It was quite contrary to expectation, therefore, to find that of the 21 tenants who gave all the information for which they were asked no less than five had full time work off the holding and that four tenants were mainly concerned with pig keeping. The position was as follows:-

Holdings	Tenants		Total
	Full time	Part time	
Mainly horticulture	12	5	17
Mainly pig keeping	4	-	4
Total	16	5	21

\* Agriculture Act 1947 Pt.IV 50 (4).

Of the five tenants who had taken full time jobs away from their holdings only two had done so with the full knowledge and consent of the small-holdings authority. The fact that the other three were breaking their agreement was known to the Council but misfortune, personal and business, had made it expedient for the tenants concerned.

The five tenants with full time jobs earned on average £750 a year together with what they made or lost on their holdings. Four followed the occupations listed below.

Draughtsman  
Jobbing gardener

B.E.A. Loader  
Industrial storekeeper

The fifth did not specify his occupation except to say that it was factory work of some kind.

Twelve tenants gave full time to their holdings and followed a mainly horticultural system of production while a further four full-time tenants were mainly concerned with pig keeping. Six were nurserymen or were following a relatively intensive system of production, three were following a more extensive system of horticulture, three were producer-retailers with the accent on retailing while the four pig keepers seemed not only to depend on breeding and fattening but one of them mainly on dealing.

While there were 16 tenants giving full time to their holdings the wives of two of them earned on average just over £400 a year in jobs off the holding. In each case, however, these two holdings were more than providing a reward for the time and effort of the husband so that the outside earnings were not essential for survival.

(ii) The size and suitability of the holdings.

The average size of the 21 holdings as rented from the M.C.C. was 4.45 acres. Five tenants, however, rented on average a further 8.52 acres each to bring the overall average size of holding up to 6.20 acres. The extremes of total size were 1.03 and 29.50 acres, only one of the 21 holdings being over 20 acres. Sixteen holdings were each within a ring fence and averaged 3.90 acres each, a further five holdings were in two parts and these averaged 15.17 acres each of which 6.65 acres was rented from the M.C.C. and the remainder from other landlords.

Seven tenants regarded their holding as too small and in view of the fact that six are too small to qualify for the Small Growers' Business Grant\* there is probably some substance in this belief. Three tenants complained of flooding from London Airport, two complained that old brick walls limited their

---

\* Under the Agriculture and Horticulture Act, 1964.

freedom to use the holdings concerned efficiently, two complained of the bad state of the holdings on entry (one the bad state of cultivation and one the mass of useless sheds and other similar fixtures), one tenant complained that the soil was tomato-sick on entry and that this was known to the smallholdings authority and should have been remedied, while one wanted a house.

Seventeen tenants regarded the landlord's equipment as satisfactory and adequate. Two said they needed more glass, one more pig houses and one a shed for soil mixing and storing and as a garage for his lorry.

### III. Financial results per holding.

The 21 holdings have been classified and their results presented in two ways. First by the occupational status of the tenant and secondly by the system of production, as follows:-

<u>Full time tenants</u>		
(i) Mainly intensive production of horticultural crops	6	holdings
(ii) Mainly relatively extensive production	3	"
(iii) Producer-retailers	3	"
(iv) Mainly concerned with pig keeping	4	"
<u>Part time tenants</u>		
(v) Mainly relatively extensive production	5	"
	<u>21</u>	

Detailed statements of income, expenditure and capital investment are given group by group at a later stage.\* It is appropriate here to consider the broad results in terms of what sort of a living the tenants on average get from their holdings. Before doing so, however, it would be wise to explain the composition of some of the figures which are given.

Total income includes sales of crops and livestock and miscellaneous sales together with an estimated figure for produce consumed in the home and a further addition for the private share of rent and rates, normally £50.

Total expenditure includes all hired and family labour including that of the tenant and his wife, the full rent and rates and all other costs except

---

\* See appendix (b).

interest on loans.

Net income is the difference between income and expenditure as defined above adjusted for year-end differences in the crop and stock valuation.

Surplus. As borrowing is likely to be an essential for the majority of new tenants and as the amount of interest to be paid could affect the sum on which tenants can live the net income has been reduced by the amount of interest paid to give what is called a surplus.

Family income is the surplus plus that amount entered as family labour - wholly that of the occupier and his wife.

Total family income is the family income from the holding plus any earnings from outside occupations.

Table I gives these and other self explanatory financial data when the holdings are grouped according to the occupational status of the tenant regardless of the system of cultivation and husbandry followed. Its purpose is to show what sort of a living the tenants are able to obtain on average. It also gives the landlord's investment per holding and the percentage return in rent. Table 2 groups the holdings by type of production.

Table 1  
Financial data per holding  
year 1963/64

Occupational status	Full-time occupiers	Part-time occupiers	All tenants
Number of holdings	16	5	21
Average size - acres	7.1	3.6	6.2
<u>The Tenant</u>	£	£	£
Total income	4,974	476	3,903
Total expenditure	4,570	625	3,631
Valuation increase or decrease	+51	+22	+44
<u>Net income</u>	<u>455</u>	<u>-127</u>	<u>316</u>
Surplus after meeting loan interest	415	-135	284
Family income from holding	925	66	720
Total family income	977	813	940
Tenant's total capital	1,864	423	1,520
Loans outstanding	383	69	308
Tenant's total net worth	1,481	354	1,212
Net income as % of tenant's capital	24	-30	20
as % of tenant's net worth	31	-36	26
<u>The Landlord</u>	£	£	£
Landlord's investment on the basis of:-			
(a) original cost	2,146	925	1,840
(b) Agricultural value	4,947	3,842	4,670
(c) Remote hope value	7,079	5,209	6,655
Rent as % of investment (a)	7.1	10.0	7.6
(b)	3.2	2.4	3.0
(c)	2.2	1.8	2.1



Table 2  
Financial data per holding  
year 1963/64

Type of production	Mainly inten- sive	Mainly exten- sive	Producer- retailers	All horti- cultural	Mainly pigs
Number of holdings	6*	3*	3*	17**	4*
Average size	5.3	12.2	4.3	5.8	8.0
<u>The Tenant</u>	£	£	£	£	£
Total income	2,878	2,898	8,311	3,134	7,172
Total expenditure	2,365	2,791	7,799	2,882	6,813
Valuation increase or decrease	+35	-84	+88	+19	+150
<u>Net income</u>	<u>548</u>	<u>23</u>	<u>512</u>	<u>271</u>	<u>509</u>
Surplus	532	-43	497	249	434
Family income from holding	1,048	424	1,086	676	909
Total family income	1,126	424	1,086	923	1,000
Tenant's total capital	2,794	988	1,572	1,561	1,344
Loans outstanding	206	748	241	268	481
Tenant's total net worth	2,588	240	1,331	1,293	863
Net income as	%	%	%	%	%
% tenant's capital	20	-***	32	17	38
% of tenant's net worth	21	1	38	21	59

\* Excluding any part time holdings

\*\* Including the five part time holdings for which details are given in Table I.

\*\*\* Less than 0.5%

Some comments on the broad results as given in tables 1 and 2 may not be out of place here.\*

The full time occupiers appear to have made a relatively satisfactory living as their taxable profits were rather more than twice that of the minimum agricultural wage. There was, however, a wide dispersion about this average as the following figures show.

<u>Net income per holding</u> <u>(i.e. after paying occupier and wife)</u>	<u>Number of full-time</u> <u>holdings</u>
£	
-350 - 0	3
1 - 500	5
500 - 750	6
750 - 1000	1
over 1000	1
	<hr/> 16 <hr/>

Thus, three tenants were taking less than the minimum wage for their manual work on their holdings, five were getting at least the minimum wage and up to approximately twice the minimum, while eight were getting an even better living.

While the total family income on the part-time holdings was not far short of that on the full-time holdings only a relatively small portion of it came from the holding. In fact, after rewarding family labour four holdings showed a negative net income so that their tenants were, in a strict accounting sense, subsidising their holdings from their outside earnings. On the assumption that family labour was costless on these holdings then two were still showing a deficit and thus eating into the outside earnings of the tenants, one showed a profit of £37 and one a profit of £215. The fifth holding showed a net income of £180 and a profit of £480.

There would seem to be little justification for providing these five tenants with holdings unless their standard of husbandry can be radically and drastically improved. Not only are they denying these holdings to potentially better tenants on the waiting list but most of them are doing themselves no good and some even reducing their net earnings as a consequence of their tenancies.

---

\* Details of the trading of each of the groups is given in Appendix (b).

A comparison of net incomes by type of production shows that on average those full time holdings concerned with intensive cropping, with producer-retailing and with pig keeping realised roughly the equally good results of an income about twice the agricultural wage. On the other hand, three holdings (admittedly a small number) which were devoted to more extensive crops gave a relatively poor result. One of them had a net income of nearly £500 and two had losses. While one of the two tenants with losses was about to retire through age some doubt is entertained about the validity of the figures from the other. In all probability the figures given in Table 2 understate the potentialities of this form of cultivation though, clearly, extensive production is not for the small-scale producer, smallholder or otherwise, and the sooner these tenants realise the fact the better.

#### IV. Success measured by capital accumulation.

This diverse collection of 21 tenants had entered their holdings with a capital of £11,355 owned and £4,970 borrowed to make a total of £16,320. Over the years their capital had increased to £26,218 owned and £6,273 borrowed to make a total of £32,491.

Not all tenants, however, had succeeded in increasing their capital, nine tenants had diminished it. Starting with an equity\* of £7,300 they had a present equity of only £2,681 and two of them (one of whom has since left his holding) were in deficit on capital account. Twelve tenants, on the other hand, starting with an equity of £4,055 had a present equity of £23,537 and none, of course, by definition, were in deficit.

In terms of average per holding the nine tenants who diminished their capital started with £811 net worth each, diminished it by £513 and had a present average of £298. The twelve who increased their capital started with an average of £338 each and increased it by £1,623 to give a present average net worth of £1,961. Details of the present capital composition are given in Tables 3 and 4.

Only one tenant had any funds invested other than in his holding and excepting also those who had made some provision for old age in the shape of endowment assurances. Five, however, had liquid funds ranging from £450 to £3,500 each which could be used for expanding or intensifying the business. Fifteen of the others\*\* were working on a relatively hand to mouth basis and when asked what sources of credit they would use or attempt to use to meet the

---

\* That part of the total tenant's capital which the tenant owned, the 'non-borrowed' part of the total tenant's capital, net worth.

\*\* One tenant was shortly moving to a holding of his own.

Table 3

Tenant's capital by occupational status

	Tenant's capital per holding		
	full-time occupiers	part-time occupiers	all tenants
	£	£	£
Crops and tillages	446	74	357
Livestock	227	48	185
Stores and miscellaneous	10	10	10
Glasshouses and frames*	253	22	198
Machinery	705	253	597
Bank balance and cash	322	21	250
Creditors less debtors	-99	-5	-77
Loans outstanding	-383	-69	-308
Tenant's net worth	1,481	354	1,212

Table 4

Tenant's capital by type of production

	Mainly inten- sive	Tenant's capital per holding			Mainly pigs
		Mainly exten- sive	Producer- retailers	All** horti- cultural	
	£	£	£	£	£
Crops and tillages	758	434	398	436	22
Livestock	-	-	7	15	906
Stores & miscellaneous	-	17	33	12	2
Glasshouses & frames*	369	277	265	232	51
Machinery	579	789	860	570	715
Bank balance and cash	916	10	105	349	-173
Creditors less debtors	172	-539	-96	-53	-178
Loans outstanding	-206	-748	-241	-268	-481
Tenant's net worth	2,588	240	1,331	1,293	863

\* Some glasshouses and frames are provided by the landlord and give rise to additional rent.

\*\* Including the part-time holdings in Table 3.

needs of possible expansion the following answers were elicited:-

- 1 would try members of his family
- 2 would use hire purchase institutions
- 3 would try the smallholdings authority (i.e. for equipment with added rent)
- 3 would try their bank
- 3 did not know
- 3 did not want to borrow from anyone

Of the 21 tenants only 8 had taken so-called establishment loans on entry into their holdings and these loans averaged £509 per tenant taking them. Five tenants were on their holdings before 1948 and establishment loans were therefore not available to them, four said they had no need of such loans, one preferred a loan from his family, one avoided an establishment loan because the rate of interest was too high, one said none was offered, and one gave no reason.

Nine tenants thought that they could run a larger holding with their existing capital and equipment though one of them said he would prefer a smaller holding and another preferred intensification rather than expansion in acreage. Of the seven tenants who could cope with an increased acreage only three mentioned an area as much as five times their present acreage (two mentioned 10 acres and one 50 acres).

When asked whether, if capital were available, they could intensify their existing holdings profitably thirteen agreed that this was possible. The forms of intensification which they had in mind were as follows:-

	<u>Capital required</u>
	£
3 would have more livestock	2,200
6 would have more glass	9,850
2 would heat existing glass	1,350
2 could intensify but did not want to	-
Total extra capital for 11 holdings	<u>£13,350</u>

As this extra capital was not likely to be available these ideas were little more than cherished aspirations. The fact that they were held however showed that the growers concerned realised the limitations of their existing business structure and saw one way of overcoming them.

Just before this study commenced the Small Grower Business Grant was brought into existence and tenants were asked whether they contemplated making an application for grants which would vary between £200 and £500 according to the size of holding, what sum they would get, and what they proposed to do with any such grant.

Four tenants had too little horticultural land to qualify, two holdings were too large and six too small to qualify, leaving nine eligible holdings. Three had no intention of applying for grant, one contemplated doing so but had taken the matter no further beyond thinking that any grant would be well spent on irrigation equipment, while five had either applied or intended to do so. Of these five, one wanted more glass but didn't know how much grant he would be likely to get, one wanted to heat his glasshouse with a total grant of £200, one to buy a mist propagation unit, a sprayer and further dutch lights to a total of £320, one wanted automatic irrigation at a cost of £325 and one wanted a water tower at a cost of £500.

#### V. Financial results per acre.

Detailed figures of income and expenditure per acre are given in an appendix. The picture they present is much the same as that given earlier on a per holding basis. It may, however, be worthwhile making some comments here on one or two features which the per acre figures show.

One group of holdings, the producer-retailers, stands out from all others because of the high level of sales. But as the statement of expenditure shows, this is to a large extent due to the resale of bought-in produce, which for some holdings consists of imported fruit and flowers and similar lines carried by retail greengrocers. Presumably the tenants concerned make a virtually costless profit on resale in view of the fact that the holdings and facilities exist in any case.

Suppose these holdings earned what is perhaps a normal retailer's 20% gross profit on bought-in produce. Then this would amount to £233 per acre of the holding, and being costless, would exceed the net income per acre from the whole business. Two tenants put their gross profit on bought-in produce at between 10% and 15%. If an average of  $12\frac{1}{2}\%$  is taken then their horticultural, as distinct from their retailing, activities just about pay their way. This contention may be illustrated by omitting bought-in produce from expenditure and deducting from sales the bought-in produce plus the gross profit made on it.

	<u>Assuming 20% Gross Profit</u>	<u>Assuming <math>12\frac{1}{2}\%</math> Gross Profit</u>
	£	£
Sales of own production per acre	414	502
Other receipts                   "   "	108	108
	<u>552</u>	<u>610</u>
Less expenditure               "   "	637	637
	<u>-115</u>	<u>-27</u>
Add valuation change	+ 20	+20
Net income per acre	<u>- 95</u>	<u>- 7</u>



If these tenants took no more than  $12\frac{1}{2}\%$  gross profit from bought-in produce (and it is unlikely that they would have taken as little despite assertions to the contrary) then their own production just about broke even. If they were taking less than  $12\frac{1}{2}\%$  they were not very good retailers for the retail greengrocer normally takes much more than this i.e. the tenants were failing to exploit their opportunities. If on the other hand they took more than  $12\frac{1}{2}\%$  then they showed themselves to be somewhat indifferent producers.

While this procedure is rough and ready it shows that there is something wrong with the organisation of these producer-retailer businesses. They must be failing to take advantage either of the productive resources they have, the opportunities which they so obviously possess for retailing not only bought-in produce but their own produce, or both.

The next most conspicuous group is that of the six relatively intensive producers. Broad comparisons with the results from other similar non-statutory holdings could be misleading. They suggest, however, that these growers have a long way to go before they begin to approach the results of independent growers. Comparisons are possible between individual smallholdings and similar independent holdings of the same size, in the same kind of situation and following identical systems of production. Two will serve for illustration and both are well above average and among the most profitable encountered in this study.

	<u>Nursery production</u>		<u>Intensive market gardening</u>		
	<u>Small-holding</u>	<u>Identical independent</u>	<u>Small-holding</u>	<u>Identical</u>	<u>Independent</u>
	£	£	£	£	£
Sales + or - valuation change	681	1962	730	1257	1562
Expenditure	<u>516</u>	<u>1470</u>	<u>440</u>	<u>943</u>	<u>1035</u>
Net income	<u><u>165</u></u>	<u><u>490</u></u>	<u><u>290</u></u>	<u><u>314</u></u>	<u><u>477</u></u>

If it were possible to regard this group of tenants as relative beginners (which most of them, of course, are not) then these average results would perhaps not be unsatisfactory.

The group of tenants following relatively extensive forms of production gives rise to little comment other than that which has already been made to the effect that on small-scale holdings relatively intensive forms of production are a pre-requisite for success.

## VI. Social Aspects

### (i) Age on entry and length of tenure.

One of the criticisms of the system under which county council small-holdings are provided is that the waiting period is long and the potential tenant not only becomes discouraged but also passes his best years for making an initial and rapid success of the enterprise when he is eventually chosen. The waiting list for Middlesex in 1964 included 32 full-time preference candidates and this fact bears out the criticism voiced by established tenants during this enquiry. On the other hand an examination of the age distribution on entry of the 21 tenants with which this study is concerned shows that about one-half of them entered into occupation at between 30 and 35 years of age, probably the best and most suitable age for such tenants in view of the fact that they are expected to have accumulated some capital before taking a holding.

<u>Age on entry</u>	<u>No. of tenants</u>
Under 30	1
30 - 35	10
36 - 40	4
41 - 45	2
46 - 50	3
over 50	1
	<hr/> 21 <hr/>

Six of the tenants had been in occupation for less than five years, five for between five and nine years, four for between ten and fourteen years, two for between fifteen and nineteen years and four for twenty or more. The following table shows the distribution of tenants by present age and by length of occupation.

<u>Length of tenancy</u>	<u>Present age</u>				<u>Total</u>
	30-39	40-49	50-59	60-69	
Under 5 years	3	2	1		6
5 - 9 "	1	1	3		5
10 - 14 "		2	2		4
15 - 19 "			2		2
20 or more			1	3	4
	4	5	9	3	21

(ii) Previous occupation and educational background.

Before taking up the tenancy of their smallholdings the tenants had followed a variety of occupations as the following list shows:-

<u>Occupation</u>	<u>No. of tenants</u>
On father's smallholding	1
Gardener or head gardener or )	8
other horticultural work )	
Farm worker or farm manager	5
Seed production	1
Greengrocer	1
Market salesman	1
Factory work	1
Bus driver	1
Law and civil service	1
Draughtsman	1
	<hr/>
	21
	<hr/>

The majority of the tenants came of families with an agricultural or country interest. Two tenants did not give their father's occupations, from the 19 who did, the following picture emerges:-

<u>Father's occupation</u>	<u>No. of tenants</u>
Horticultural work	5
Farm work	6
Seed production	2
Blacksmith	1
Carpenter	1
Decorator	1
Army	1
Middlesex County Council employee	1
Railway employee	1
	<hr/>
	19
	<hr/>

The educational background of the tenants was such that 14 progressed no further than an elementary school, 6 had some form of secondary schooling and one had attended a technical school. Three tenants had finished school days at the age of 13, fourteen at the age of 14, one at 15 and three at 16. This, for many, relatively scant familiarity with the written word is reflected in the widespread dislike, often expressed, of keeping records and accounts and points in turn to the need for some discipline or centralised

accounting service for such tenants.

(iii) Marital status and the family.

Nineteen tenants were married, one was divorced and one a widower. The wife's previous occupation was not given by four tenants. For 17 tenants the position was as follows:-

	<u>No. of tenants</u>
Horticultural work	2
Farmer's daughter	2
Manufacturing industry	2
Post Office and Civil Service	2
Secretaries and clerical work	3
Retail trade (fashion and drapery)	2
Nursing and hospital work	2
Waitress	1
Domestic duties at home	1
	<hr/>
	17
	<hr/>

The 21 families had between them 38 children, 14 at school or below school age and 24 who had completed their education. The distribution of families by the number of children is given below:-

<u>Number of children per family</u>	<u>School age or under</u>		<u>Over school age</u>	
	<u>Number of families</u>	<u>Number of children</u>	<u>Number of families</u>	<u>Number of children</u>
0	13	0	7	0
1	5	5	5	5
2	1	2	8	16
3	1	3	1	3
4	1	4	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	21	14	21	24

Among the 24 children over school age there were 14 sons and 10 daughters. Seven daughters were married and three did secretarial work. The 14 sons followed diverse activities, only three working on their father's holdings. The others were:-

Bread roundsman  
Army  
Transport Business  
Meteorological Officer

Lecturer in Technical College  
 Civil engineer  
 Engineering worker  
 Sewage farm worker  
 Paint factory worker  
 Rubber goods factory worker  
 One was incapacitated.

Only seven sons would like to succeed their fathers on the holding and four of them were still at school. Seven sons had no wish to follow their fathers while for a further seven holdings the question of succession did not apply either because there were no sons or because sons were already in some occupation.

(iv) Technical interests and hobbies.

Eleven tenants had no professional affiliations whatever and attended no meetings of technical discussion groups. Nine tenants were members of the National Farmers' Union, four of the Hampton and Staines Horticultural Discussion Group and one of the National Rose Society. Fifteen tenants had attended no demonstrations or farm walks in the year, six had done so.

All except one tenant read a technical journal. Ten read only one, six read two, three read three and one read four. The following journals were read by the number of tenants given.

Smallholder	by 7 tenants
Farmer and Stockbreeder	" 6 "
Horticultural Trades Journal	" 4 "
Nurseryman and Seedsman	" 4 "
British Farmer	" 4 "
Commercial Grower	" 3 "
Grower	" 1 "
Farming Express	" 1 "
Farmers' Weekly	" 1 "
Poultry World	" 1 "
Gardeners' Chronicle	" 1 "
Amateur Gardener	" 1 "

It is worth mentioning that though the Amateur Gardener would hardly be expected to figure in the technical reading matter of professional growers nevertheless there was a very good reason why the grower concerned read it. He was mainly concerned with raising bedding plants and similar material for the retail trade. The demand for different varieties in this class of material is markedly influenced by what amateur gardeners read in the journal they take and the grower concerned regarded a close familiarity with amateur tastes as essential.

Eight tenants consulted the officers of the National Agricultural Advisory Service regularly, eight irregularly as the need arose and five never did so. Eleven followed radio farming programmes regularly, six irregularly and four not at all.

Of the 21 tenants twelve had some off the holding interest, again of great diversity. One tenant was interested in classical music (his father had been a musician, his daughter had passed through the Royal College of Music), two had church interests, two football, two shooting and one each ballroom dancing, point to point racing, pigeon racing, cage birds and model engineering. Nine had no interests other than the holding.

(v) Tenants satisfactions.

Fourteen tenants stated that their holdings had fulfilled their expectations on entry. This general assent was qualified in a few cases by the statement that it had perhaps taken the tenants concerned rather longer to get on their feet than they had anticipated, others stated that the results in fact were beyond their initial expectations. There must, however, be some confused thought on the part of some tenants in this context. If 14 tenants were satisfied then two of them must have been satisfied with a diminishing fund of equity capital.

Only six tenants had contemplated moving to another holding but only two had proceeded further. One tenant suffered from flooding on his holding and will most certainly be moved to a better one about to become vacant, one was "looking out", one was looking for a larger holding but in default of the M.C.C. providing one had bought six acres in Kent, one would like to move but thought he would be too old when he could afford to move, while two tenants hesitated to leave their existing holdings because they were so well sited for retail sales - while recognising that something larger was desirable.

(vi) Retirement.

Fourteen tenants were making provision for retirement in some way. One intended making his foreman a partner so as to carry on the business and maintain the senior partner, one was depending on savings only, while eleven had endowment policies of between £500 and £6,000 each. Two were for £1,000 or less, six were for over £1,000 and up to £3,000 and three were for over £3,000 and up to £6,000. One contributed to a retirement annuity of £250 a year.

Despite the fact that two-thirds of the tenants had made some provision for old age, thirteen tenants thought they should not be required to relinquish the tenancy of their holdings at 65 years of age. Many were clearly,



from their remarks, of the 'stay all your life' type. On the other hand, six tenants were in no doubt that in all fairness they should leave either at 65 or when their ability properly to cultivate the holding began to decline. Two were uncertain. When asked whether they were of the same opinion if the smallholdings authority provided houses into which they could retire, nine tenants still answered in the negative, ten were of the opinion that they should move out at 65 and two were uncertain. This means that nine tenants were of the 'stay under any circumstances' type, four were mainly concerned to keep a roof over their heads in old age while six realised that the holding was a stepping stone to something of their own and two were unclassifiable on this basis.

(vii) Managerial competence.

Field workers were asked\* to make some assessment of the managerial capacity of the tenants interviewed and to classify them into four categories as follows:-

- (a) adequate for larger holding
- (b) adequate for increased activity on existing holding
- (c) adequate for current size of business
- (d) inadequate for current size of business

This sort of classification is not only subjective but it also is ambiguous. For instance, if a grower's managerial powers decline then his size of business will decline in consequence and both before and after it could be said that his capacity was adequate for his size of business. Nevertheless, an attempt was made to rate the tenants' managerial capacities before seeing their financial results. The ratings given with the average and range in net income were as follows:-

	<u>Average net income</u>	<u>Range in net income</u>
Category (a) 5 tenants	£433	£-56 to £702
(b) 6 "	£436	£-254 to £1039
(c) 7 "	£273	£-343 to £977
(d) 3 "	£38	£-389 to £749

21

This classification thus received scant support from the financial results. If the category (a) is made to include all those with net incomes of over £1,000, category (b) those with £500 to £1,000, category (c) those with £1 to £500 and (d) all those with losses then the picture is as follows:-

---

\* On instructions from the Wise Committee.

category	(a)	1 tenant
	(b)	7 tenants
	(c)	6 "
	(d)	7 "

---

21

---

In this reclassification:-

1 tenant moved down 3 places  
 3 tenants moved down 2 places  
 7 tenants moved down 1 place  
 6 were correctly placed  
 3 tenants moved up 1 place  
 1 tenant moved up 2 places

The second type of classification is thought to be more reliable as a guide to future action and the logical consequence of this examination is to encourage seven tenants to move out altogether to make way for those on the waiting list, to encourage six tenants to do better, and to encourage eight to exercise their undoubted abilities on holdings better equipped than those they now rent, to provide them with more adequate facilities on their existing holding or to encourage them to set up on their own account when the opportunity arises. It is interesting to note that one of these eight tenants had already purchased land on which he intended to set up businesses shortly.

## VII. General Observations

Some comments have already been made on a number of aspects of the smallholdings situation. At this stage it may be worthwhile to make some more general observations on points which have a bearing on the provision of horticultural smallholdings in Middlesex and perhaps also in a wider context.

(1) Quality of the land. At an earlier stage a rough index of the horticultural usefulness of the land on a number of estates was given. This index was constructed with the help of the M.C.C. Lands Officer though it would be a mistake to attribute any high degree of precision to it for this or any other reason. Nevertheless, the general picture it presents is borne out by the opinions of tenants and by other circumstantial evidence. Thus, two areas are rated in quality at only 40% of the best land. Tenants on these estates have complained about the quality of the land they cultivate and have expressed the opinion that had it been land of horticultural quality then it would have been bought by growers in the area as it became available because it is situated on the fringe of what was one of the largest horticultural areas in Middlesex. On the contrary, this land at Bedfont Court has never had a horticultural tradition for what can now be seen as a very good reason.

It is perhaps asking too much of tenants to expect them to make a success with the dice loaded against them. Moreover, one tenant at Bedfont Court stated that in addition to land of low quality he also had experienced ten floods in 25 years and had lost his tomato crop completely on four occasions for this reason.

The M.C.C. appears to have recognised the shortcomings of some of its estates because during the building of London Airport much top soil was brought to Ashford, for instance, in an effort to improve fertility. If these holdings are given a rating of only 40% of the best now, their previous level of fertility can easily be imagined. Holdings in need of this sort of treatment do not form a good starting point for smallholders.

(2) Quality of the tenant. The financial data given earlier show that relatively few of the 21 tenants made a success of their businesses when judged by the standards of good independent growers. But whatever the net income may have been, good or bad, nearly one-half of the tenants had seriously reduced their equity capital during their tenancies and two were even in deficit on capital account. The surprising feature of the situation is that few of these tenants appeared to be aware of the fact and that it had important implications for their future livelihood. One tenant in deficit on his capital account had asked to be released from his tenancy as a matter of urgency and during the course of this study left the holding for urban employment. While his stated reason was that he could earn more in this way, he may well have been influenced by the picture his balance sheet presented though there is no evidence for this.

Tenants may well be content to live on a comparatively small income, in the last resort the choice is theirs alone. But nine out of 21 tenants were so diminishing their capital that unless something drastic were done sooner rather than later they would have no income at all.

Tenant selection is probably the most difficult aspect of smallholdings administration. Just how difficult it is to select the tenant likely to be financially successful is illustrated and emphasised by the attempt to rate tenants' managerial skills by observation alone when they are actually engaged in management. How much more difficult must it be for the smallholdings committee to select the potentially successful tenant under the conditions of an interview?

Nevertheless, this is the task with which a committee is faced and this study has shown that because of the quality of candidates and the difficulty of the task it has not been performed with conspicuous success. This is no criticism of the committee but rather a plea for considering the possibility of giving tenants, once selected, some guidance along the lines (which, incidentally, would require disclosure of accounts) of the Land Settlement Association. While there is a waiting list, is a smallholdings authority justified in continuing to provide holdings for those who are so incapable that they exhaust their own slender resources?

(3) Landlord's opinion of tenant's success. During this study it became clear that the smallholdings authority had a very mistaken opinion of the degree of success which was being achieved by a number of tenants. All tenants with Ministry of Agriculture loans outstanding were required to present a trading account and balance sheet to the authority annually. But mere visual observation of the remaining tenants was giving a somewhat misleading impression.

In any case it may be argued that to watch the tenant with a loan (presumably for the short-sighted purpose of safeguarding the loan) is to miss the point. The establishment loan is surely no more important (and perhaps less) in this sort of context than the fixed capital of the landlord, the tenant's equity and the progress of the tenant as measured by the profits achieved.

Perhaps the most fundamental transition which smallholdings tenants can ever undergo is the change from being employees to being either self employed or employers of others with all the business responsibilities which this entails. There is much to be said for making this transition effective by giving guidance along the lines of that on Land Settlement Association estates; guidance of which the central feature is that it is informed of the financial results achieved by the tenants.

The need for this is emphasised by one aspect of the situation which this study has elicited. In many ways the classification of holdings by systems of production made earlier is purely artificial. It so happens that some holdings are operated relatively intensively and others extensively. Tenants did not set out to maximise their total incomes by following a system suited to their acreage and their resources. The less successful tenants following an extensive or relatively extensive system clearly had no knowledge of the potentialities of the horticultural industry. The comparison between individual smallholdings and similar independent holdings suggests that even the more successful smallholders had their shortcomings. How much more aptly can this view be applied to the relatively extensive enterprises?

(4) Misuse of holdings. All the holdings covered by this study were large enough to require the full time attention of the tenant and possibly some hired labour in addition. Nevertheless five of them were part-time holdings and the tenants of at least three had no intention of leaving their industrial work. For them the holding provided a relatively cheap place to live and in one case a hobby interest in addition.

One holding appeared to be a base from which a transport business was operated by the son of a part-time tenant, another holding was the base for a fruit and vegetable merchanting business (with the land growing cereals only) and other holdings appeared to have an even more tenuous connection with agriculture and horticulture. In particular one holding was apparently occupied de facto by the son of the de jure tenant, horticultural or agricultural activity appeared to be non-existent and no co-operation was given by the occupier.

Misuses of these kinds do not encourage the serious and industrious tenants to pursue their enterprises with that devotion necessary for success and tend to bring the smallholdings movement into disrepute.

It may well be that the smallholdings authority would have difficulty in remedying the situations mentioned above. If so, then there is, perhaps, a case for giving it wider powers than it now possesses.

(5) General impression. From data given earlier it will have been concluded that this group of 21 tenants was of a most heterogeneous nature. But despite apparent difference all tenants showed one very obvious characteristic. All could be described as most worthily enterprising even though not always successful. No one could say that any of these tenants were unsuccessful for want of trying even to the extent of taking outside work to help over difficult times. It is this feature, perhaps, more than any other, which prompts some of the suggestions made earlier, for the will to succeed was evident though the means (skill and ability) to succeed were not always present. Anything which would contribute to the means in the shape of guidance and advice would seem to be very much worthwhile.

In the last resort a purely financial judgement of success would be quite wrong even though certain minimum financial requirements must obviously be met, such as capital maintenance. It was possible to see the home conditions in which many of these tenants lived and while any judgement of those conditions must be subjective it would not be irrelevant.

While the homes of some tenants could at the worst be described as austere others showed evidence of an interest in more comfortable living. For instance, the standard kitchen sink was often replaced by an up-to-date unit with stainless steel sink. Many homes had exceedingly luxurious gas or electric cookers, many had refrigerators, and television sets were ubiquitous. Whatever an observer may have thought of the taste displayed in furnishings (and this is highly subjective) it is undeniable that several homes showed evidence of great pride and care not by any means the less commendable because of the admission that hire purchase was involved. Where the home would not rate very highly on the scale there were often other interests paramount in the mind of the tenant such as a good car or some other means of contributing to the total satisfaction which he and his family derived from the holding. These are the features which make a balanced judgement of the situation paradoxically both necessary and extremely difficult.

### Appendices

- (a) Cropping patterns
- (b) Financial results per acre



Appendix (a)

Cropping patterns by system of production

	Mainly intensive	Mainly extensive	Producer- retailers	Part-time holdings	Mainly pigs
	%	%	%	%	%
Land used for glasshouses*	3.1	0.8	3.6	0.6	0.1
Nursery stock	12.0	-	-	-	-
Fruit	7.5	9.0	2.1	7.3	9.7
Flowers	5.7	0.4	28.7	6.7	6.4
Lettuce & salads	31.9	45.9	-	0.3	1.6
Other vegetables	3.8	43.9	41.0	36.8	21.0
Agricultural crops and grass	36.0	-	24.6	2.2	61.2
Unused land	-	-	-	46.1	-
Total	100.0	100.0	100.0	100.0	100.0
cropped area as % of effective area	132.4	103.3	100.0	53.9	100.0

\* This is not only the area of glass, but also the area of surrounding paths and roads, boiler house etc.

# Appendix (b)

## Financial results per acre by types of production 1963/64

	Mainly intensive	Mainly extensive	Producer- retailers	Part- time	Mainly pigs
	£	£	£	£	£
<u>Receipts</u>					
Crops	537	231	1810	80	81
Livestock	-	-	92	32	799
Private share of rent and home consumption	9	6	16	20	11
<b>TOTAL RECEIPTS</b>	<b>546</b>	<b>237</b>	<b>1918</b>	<b>132</b>	<b>891</b>
<u>Expenditure</u>					
Hired labour	111	91	176	8	29
Family labour	98	38	136	56	60
Manures	13	14	18	3	1
Seeds and plants	24	12	38	8	3
Produce for resale	63	-	1163	-	-
Power costs	19	12	33	10	28
Glasshouse costs	17	13	47	3	-
Depreciation	30	14	31	23	27
Packing materials	16	3	12	3	-
Rent and rates	31	19	43	33	22
Repairs	12	7	12	4	3
Miscellaneous	12	6	20	4	19
Livestock	-	-	59	2	535
Foodstuffs	-	-	12	20	120
<b>TOTAL EXPENDITURE</b>	<b>446</b>	<b>229</b>	<b>1800</b>	<b>174</b>	<b>847</b>
Valuation diff.	7	-6	20	6	19
Net income*	107	2	138	-36	63
Surplus*	104	-3	135	-38	54

\* The difference between Net Income and Surplus is the amount of interest paid on loans.

